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ABSTRACT

This paper considers the earnings of refugees and their utilization of financial assistance programs, including Food Stamps and several cash assistance programs. The first section provides a summary of available data on refugee earnings, emphasizing the 1975 cohort of Indochinese refugees, on whom substantial information is available; data on later arrivals is presented as well. The data are presented in the form of statistical tables which are analyzed. The second section discusses what is known or can be estimated about the use of cash and Food Stamp programs by refugees. Factors which appear to correlate with high or low use rates are discussed. The third section considers four policy issues the United States faces in making decisions about refugee assistance utilization: (1) the nation's motivation in being concerned about Indochinese refugees' utilization of public funds; (2) the treatment of this disadvantaged group as compared to that of other disadvantaged groups; (3) the role of cash and food stamp assistance programs for refugees as compared to the role (and size) of other programs for refugees designed to make them more self-sufficient; and (4) alternative approaches to humanely reduce refugee dependence on assistance programs. The paper includes two methodological appendices which discuss: (1) the techniques used to estimate the total utilization of assistance programs, and (2) the continuing data collection and analysis problems in the resettlement field. (CG)

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REFUGEE EARNINGS AND UTILIZATION OF FINANCIAL ASSISTANCE PROGRAMS

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REFUGEE EARNINGS AND UTILIZATION OF FINANCIAL ASSISTANCE PROGRAMS

Introduction

This paper explores two closely-related subjects: the earnings of refugees and their utilization of financial assistance programs (Food Stamps as well as several cash assistance programs).

The first section provides a summary of available data on refugee earnings, with an emphasis on the 1975 cohort of Indochinese refugees, for whom there is substantial information; data on other, later arrivals is presented as well.

The second section discusses what is known, or can be estimated, about the utilization of cash and Food Stamp programs by the refugees; factors which appear to correlate with high or low utilization rates are discussed.

In the third section we provide a checklist of the policy options to the US as it thinks about refugee assistance utilization.

The paper closes with two methodological appendices. The first describes the techniques we used to estimate the total utilization of assistance programs, both those funded by the Office of Refugee Resettlement (ORR) and by other agencies. The second discusses some of the continuing data collection and analysis problems in the resettlement field.

The opinions offered and the estimates provided are those of the author and do not reflect those of the organizations sponsoring the February 6-8 conference at Wingspread: the Office of Refugee Resettlement, The Refugee Policy Group, and the Johnson Foundation. The author does, however, wish to express his gratitude to those organizations for making that conference (and this paper) possible.

I. REFUGEE EARNINGS

We open the discussion on a well-documented, cheerful note, the economic progress of the 1975 cohort of refugees, for which there is ample data, at least through their first five years in the country. We then turn to the earnings of other, later groups of refugees. Because refugees from Indochina constitute about 75 percent of the post-1975 refugees in this nation, and because there is only the most scattered earnings data on the non-Indochinese refugees, our discussion will focus on those from Southeast Asia.

A. The 1975 Cohort.*

The 1975 cohort of refugees, though not typical of all Indochinese refugees now in the nation, is a fairly typical first-wave refugee population. The first group of refugees, from Cuba, Afghanistan, Ethiopia, or wherever, are usually the leaders of the last regime. They usually have an above-average amount of education, power, and money. They, because of their former government ties, have the most to lose from the new regime, and they depart quickly.

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*Unless noted otherwise, material on the 1975 cohort is drawn from an about-to-be-completed study of this group, funded by NIH and written by this author and Dr. Reginald Baker, President of Data Use and Access Laboratories (DUALabs). The report, to be titled "The 1975 Refugees: Their First Five Years in America," is based on three previously separate sets of US government records. These are the hitherto unused data file collected by the US government in the Stateside processing camps in 1975, which has a rich collection of demographic data and information on the refugees' lives in Vietnam; the 1978, 1979, and 1980 alien registration cards filed with the Immigration and Naturalization Service; and the 1976, 1977, 1978 and 1979 taxable earnings files maintained by the Social Security Administration.

The some 120,000 1975 refugees largely fit the pattern noted above, though some less-than-elite Air and Naval personnel and fisherfolk arrived in 1975 as well, because their barriers to escape were minimal. More than 95 percent of the refugees were from Vietnam. Refugees from the less-developed nations of the interior (Laos and Cambodia) did not begin to leave Indochina in large numbers until several years later.

In addition to the substantial amount of human capital (education, job experience, contact with Western systems) carried by the Vietnamese, they arrived with a demograhic profile which would suggest success in the US labor market. There were noticeably more men than women, and the population was dominated by young adults. There were very few old people among them. How have they done economically?

The 1975 cohort has done very well in the labor market. By 1980 (but only by then) their labor force participation rates, when age and sex is held constant, had reached the levels of their peers in the United States,* and as Table 1 indicates, they more than doubled their earnings during their first four full years in the US labor market. (Meanwhile the earnings of all US workers were rising much more slowly. These data, like all dollar figures used in this report, are not adjusted for inflation.)

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*For more on labor force participation rates, see the paper prepared by Robert Bach for this conference, and Chapter Four of Baker and North, "The 1975 Refugees" (forthcoming).

TABLE 1

Median OASDHI-Covered Earnings of Selected Groups of 1975 Refugees and All US Workers, 1976-1979

YEAR	MALE REFUGEES 35-44	FEMALE REFUGEES 25-34	ALL REFUGEES	ALL U.S. WORKERS	REFUGEE EARNINGS AS PERCENT OF U.S. EARNINGS
1976	$6,232	$3,528	$4,243	$6,235	68.1
1977	7,928	4,659	5,460	6,627	82.4
1978	9,863	6,159	7,053	7,148	98.7
1979	12,400	7,367	8,874	7,478	118.6
Percent Increase 1976-1979*	98.0	108.8	109.1	19.9	n/a

*Unadjusted for inflation.

Sources: Refugee data from SSA tabulations. Data for the US population from Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1982, Table 25. The concept used for both groups is median earnings subject to Social Security taxes; average taxable earnings for all US workers were running about $2,000 a year higher in 1979 than shown in this table; average earnings data were not available for the 1975 refugees, but probably were below those of US workers.

Note: The refugee-US earnings comparisons in this table should be viewed against the sex ratios of these two worker populations; whereas in 1979 the refugee worker population was 37.8% female, that of the US work force covered by Social Security was 42.7% female. (The latter percentage was calculated from Table 24 of SSA's Statistical Supplement, 1982.) For more precise age- and sex-specific earnings data, see Table 46.

Reproduced from: Reginald Baker and David North, The 1975 Refugees: Their First Five Years in America (Washington: New TransCentury Foundation, forthcoming), Table 45

More specificaly, Table 1 shows the Social Security taxable earnings of the best-paid male refugees (those aged 35-44), the best-paid female refugees (those 25-34), all refugees, and all US workers. These median earnings data indicate that the earnings of all refugees were well below those of US workers in 1976, but had surpassed those of all US workers by 1979. This should be viewed carefully, however, because of the substantially larger proportion of women workers in the US work force as compared to the 1975 refugee work force.

Table 2 presents a more detailed analysis for refugees and US workers between the ages of 25 and 44, the age range of approximately two-thirds of the refugee workers. By 1979, the younger male refugees had nearly closed the gap between themselves and comparably-aged US workers, but the 35-44 year old male refugees had farther to go. In contrast, both groups of female refugees were well ahead of their US worker peers by 1979.

A final comparison, that of median earnings for all age groups of both refugees and US workers in 1979, is shown in Table 3. Again we see the greater relative progress of refugee women (vs. other US women) in earnings, as compared to the progress of male refugees. In the younger four age groups, refugee women outearn US women but fall behind by slim margins in the 45-54 and 55+ groups. Male refugees earn more than their peers up to age 24, but fall behind in the four older age groups.

What variables other than sex, age, and experience in the US labor market appear to have influenced earnings? Did those variables appear to be as strong in 1979 as in 1976? Seven are worth noting, five of which are listed in more or less descending order of significance: civilian or military status in Indochina, occupation in Indochina (roughly as important

TABLE 2

Median Taxable Earnings of Selected Groups of 1975 Refugees and U.S. Workers, by Sex 1976-1979

YEAR	MALES						FEMALES					
	REFUGEES 25-34	U.S. WORKERS 25-34	REFUGEES AS % OF U.S.	REFUGEES 35-44	U.S. WORKERS 35-44	REFUGEES AS % OF U.S.	REFUGEES 25-34	U.S. WORKERS 25-34	REFUGEES AS % OF U.S.	REFUGEES 35-44	U.S. WORKERS 35-44	REFUGEES AS % OF U.S.
1976	5,568	10,519	52.9	6,232	13,427	46.4	3,528	5,098	69.2	3,216	5,154	62.4
1977	7,202	11,130	64.7	7,928	14,512	54.6	4,658	5,511	84.5	4,537	5,560	81.6
1978	9,330	12,015	77.7	9,863	15,905	62.0	6,158	6,118	100.6	6,192	6,199	99.9
1979	11,707	12,501	93.6	12,400	16,750	74.0	7,367	6,497	113.4	7,674	6,629	115.8

Sources: Refugee data from SSA Tabulations. Data for the U.S. population calculated from Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1982, Table 25.

Note: The concept used for both groups is earnings subject to Social Security taxes.

Reproduced from: R. Baker and D. North, The 1975 Refugees: Their First Five Years in America, Table 46

TABLE 3

Median Earnings of 1975 Refugees and All U.S. Workers, by Sex and Age, 1979

AGE GROUP	MALES		FEMALES	
	REFUGEES	U.S. WORKERS	REFUGEES	U.S. WORKERS
16-19	$2,799	$1,716*	$2,129	$1,282
20-24	7,401	6,493	4,698	4,363
25-34	11,707	12,501	7,367	6,497
35-44	12,400	16,750	7,675	6,629
45-54	10,960	16,985	6,985	7,142
55+	8,285	12,101	5,818	5,891

*Workers under 20.

Source: Refugee data from SSA tabulations. US data from Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1982, Tables 24 and 25. Data for US workers 25-54 are averages of medians for workers in five-year groupings. Data for US workers 55+ are weighted averages of medians for the six 55+ age groups, calculated from population data (Table 24) and earnings data (Table 25). It should be noted that the average age of the 55+ refugees is considerably younger than that of the 55+ US workers.

Reproduced from: Baker and North, The 1975 Refugees: Their First Five Years in America, Table 47

as civilian-military status), state of residence in the US, voluntary agency assignment, and size of cluster, i.e., the number of other Indochinese in the immediate area. Mobility status and self-employment are also of interest, but are discussed separately.

Table 4 shows the influence of the human capital carried by the refugees as they arrived. Former military officers generally earned more in the US than civil servants and enlisted personnel, and all public sector people made more than those with a private sector background ("other" in the table). Similarly, when Indochinese occupations are compared, men with professional backgrounds and women with professional or clerical backgrounds earned substantially more than other refugees in 1976 and again in 1979. There appears to be some slight lessening of the influence of occupational (but not the civilian or militry status) background, however, with the passage of time. Not shown in the table are similar findings regarding the influence of education in Indochina on earnings in the US. The greater the education, the higher the earnings, with education making more of a difference for men than for women. As with occupation, the effect of education was about as strong in 1979 as it had been in 1976.

As for state of residence in general, men living in Illinois or Texas earned more than those living elsewhere, with California earnings lagging noticeably, as Table 5 indicates. (With US workers, the California-Texas comparison runs the other way. In 1977, for example, Californians earned about 12 percent more than Texans.)*

*Calculated from Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1981, Table 40.

TABLE 4

Median SSA Earnings for Selected Groups of 1975 Refugees, by Sex, 1976 and 1979

VARIABLE	1976				1979			
	MALES		FEMALES		MALES		FEMALES	
	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY
STATUS IN INDOCHINA								
Officer	$5,877	100.0%	$3,625	100.0%	$12,598	100.0%	$7,600	94.5%
Civil Servant	5,573	94.8	3,439	94.9	11,385	90.4	8,039	100.0
Enlisted	5,349	91.0	3,375	93.1	11,515	91.4	7,333	91.2
Other	4,270	72.7	2,899	80.0	9,265	73.5	6,808	85.2
OCCUPATION IN INDOCHINA								
Professional	$5,800	100.0%	3,823	100.0%	$12,258	100.0%	$8,378	100.0%
Clerical	5,114	88.2	3,773	98.7	10,972	89.5	8,011	95.6
Manufacturing	5,327	91.8	2,850	74.5	11,429	93.2	6,626	79.1
Construction	3,992	68.8	1,620*	42.4*	8,902	72.6	4,250*	50.7*
Service	5,144	88.7	2,439	63.8	10,781	88.0	6,475	77.3
Other	4,858	83.8	2,475	64.7	9,909	80.8	5,907	70.5

Source: SSA Tabulations.

*Cells had five and six members, respectively.

Reproduced from: Baker and North, The 1975 Refugees: Their First Five Years in America, Table 48.

TABLE 5

Median SSA Earnings of 1975 Refugees, by Sex and State of Residence, 1976 and 1979

STATE OF RESIDENCE	1976 MALES		1976 FEMALES		1979 MALES		1979 FEMALES	
	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY
Illinois	$5,727	100.0%	$2,960	91.9%	$9,438	100.0%	$5,553	98.9%
Texas	5,327	93.8	2,901	90.1	9,278	98.3	5,489	97.8
Virginia	5,110	89.2	3,220	100.0	8,000	84.8	5,348	95.2
Other US	5,039	89.2	2,698	83.8	8,489	89.9	4,860	86.6
Pennsylvania	5,017	87.6	2,929	91.0	8,463	89.7	4,804	85.6
New York	4,886	85.3	3,148	97.8	7,518	79.7	5,615	100.0
Florida	4,852	84.7	2,720	84.5	7,539	79.9	4,892	87.1
California	4,688	81.9	2,937	91.2	8,109	85.9	5,465	97.3
Washington	4,471	78.1	1,974	61.3	8,990	95.3	4,982	88.7

Source: SSA Tabulations.

Reproduced from: Baker and North, The 1975 Refugees: Their First Five Years in America, Table 49.

Earnings patterns by state for the women varied from those of the men, with Virginia and New York recording the highest female earnings in the years cited.

The data suggest that the significance of voluntary agency assignment decreased over time, with most of the variation falling into the 93-100 percent range by 1979. (See Table 6.) Males assigned to LIRS had the highest earnings in both 1976 and 1979, while that distinction among the women went to ACNS in 1976 and to IRC in 1979.

Volags, however, did not draw a random sample of the 1975 refugees, and each did not distribute their refugees evenly across the country. (A volag with a disproportionately large number of refugees in California, for example, might have lower median earnings among male refugees than if it had settled a large number in Texas.)

The narrowest range of earnings differences among these five variables can be seen in Table 7 which shows median earnings by the size of the cluster in which the refugee lived.* With exception of the mixed pattern for the 1976 male earnings, the trends shown in Table 7 are the expected ones: refugees earn more in areas with larger clusters of other 1975 refugees. (This, incidentally, suggests that a refugee placement policy that stresses concentrations may be a good idea.) Since the biggest clusters are in California, a low-earnings state, one would assume that the earnings-by-cluster patterns would show sharper differences were state of residence to be held constant.

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*More precisely, calendar year 1979 earnings were linked to January 1979 residence as recorded with INS; calendar year 1976 earnings were linked with the destination recorded in the 1975 evacuee file.

TABLE 6

Median SSA Earnings of 1975 Refugees, by Voluntary Agency and Sex, 1976 and 1979

VOLUNTARY AGENCY	1976				1979			
	MALES		FEMALES		MALES		FEMALES	
	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY
LIRS	$5,344	100.0%	$2,906	89.9	$11,186	100.0%	$6,835	96.4%
CWS	5,099	95.4	2,707	83.7	10,971	98.1	6,578	92.8
Tolstoy	5,098	95.3	2,749	85.0	11,118	99.4	6,790	95.8
IRC	4,953	92.7	2,972	91.9	10,980	98.2	7,091	100.0
USCC	4,916	92.0	2,755	85.2	10,431	93.3	6,595	93.0
AFCR	4,808	90.0	2,800	86.6	10,713	95.8	6,374	89.9
HIAS	4,641	86.8	2,923	90.4	10,939	97.8	6,799	95.9
ACNS	4,153	77.7	3,234	100.0	9,227	82.5	6,661	93.9

Source: SSA Tabulations.

Reproduced from Baker and North, The 1975 Refugees: Their First Five Years in America, Table 50.

TABLE 7

Median SSA Earnings of 1975 Refugees, by Size of Cluster and Sex, 1976 and 1979

SIZE OF CLUSTER	1976				1979			
	MALES		FEMALES		MALES		FEMALES	
	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY	TOTAL	PERCENT OF MAXIMUM CATEGORY
2,000 plus	$4,960	96.0%	$3,135	100.0%	$11,365	100.0%	$7,473	100.0%
1,000-1,999	4,859	94.1	2,888	91.9	10,706	94.2	6,795	90.9
500-999	5,127	99.2	2,919	93.1	10,918	96.1	6,720	89.9
200-499	5,166	100.0	2,843	90.7	10,535	92.7	6,530	87.4
Less than 200	4,900	94.9	2,633	84.0	10,363	91.2	6,193	82.9

Source: SSA Tabulations.

Reproduced from Baker and North, The 1975 Refugees : Their First Five Years in America, Table 51.

One of the most interesting of the cross-tabulations (see Table 8) shows the earnings of the 1975 cohort by inter-state migration between filings of the 1978 and the 1979 INS address cards. The top half of Table 8 displays the income of refugees in the year of the move (1978), while the bottom half shows the income in the year after the move had taken place (1979). A number of conclusions are suggested:

1. Earnings for all groups of stayers were higher in both years than for all groups of migrants. The more successful did not move during 1978.

2. Higher earnings were reported for males staying in Texas or moving to Texas than those in other areas; patterns among the six groups of women were not so clear.

3. In 1978 the subpopulation with the lowest earnings was thatwhich moved to California.

4. Migrants' earning increased more between 1978 and 1979 than did stayers' earnings, indicating that migrants on average improved their economic lot by migrating.

A growing but tiny minority of the 1975 refugees reported self-employment earnings to the Social Security system: 156 in 1976, 240 in 1977, 370 in 1978, and 495 in 1979. In the last year, that represented only 1.5 percent of the refugees in the SSA data bank. This is in contrast to about 7.7 percent of US workers who reported self-employment earnings.* Among refugees, men were twice as likely to be self-employed as women, with the 1979 rates being 2.1 percent and 0.8 percent respectively. Self-employed

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*Calculated from Table 33 of the Social Security Bulletin, Annual Statistical Supplement, 1981.

TABLE 8

Median SSA Earnings of the 1975 Refugees, by 1978-1979 Inter-State Migration Status and Sex, 1978 and 1979

MOBILITY STATUS	MALES	PERCENT OF MAXIMUM CATEGORY	FEMALES	PERCENT OF MAXIMUM CATEGORY
EARNINGS IN 1978, THE YEAR OF THE MOVE				
Stayed in CA	$8,201	81.1%	$5,543	98.4%
Stayed in TX	10,116	100.0	5,634	100.0
Stayed in Other State	8,843	87.4	5,234	92.9
Moved to CA	5,736	56.7	3,523	62.5
Moved to TX	7,000	69.2	4,112	73.0
Moved to Other State	6,559	64.8	3,573	63.4
EARNINGS IN 1979, THE YEAR AFTER THE MOVE				
Stayed in CA	11,011	89.3	7,430	100.0
Stayed in TX	12,336	100.0	7,059	95.0
Stayed in Other State	10,553	85.6	6,472	87.1
Moved to CA	9,354	75.8	6,178	83.1
Moved to TX	11,491	93.2	6,084	81.9
Moved to Other State	9,466	76.7	5,250	70.7

Source: SSA Tabulations

Reproduced from: Baker and North, The 1975 Refugees: Their First Five Years in America, Table 52.

refugees, like US workers generally, made about 20 percent less than wage and salary workers.

There have been suggestions that self-employment will become a major force within the refugee community's economy. That may be, but one could not sense it from the 1976-1979 SSA data on the 1975 cohort. These data, however, only cover the self-employed person as a worker and do not deal with the same person as an employer. Many of the self-employed are employers as well.

The last point I would like to make about the 1975 cohort and the Social Security earnings data is a bothersome one. As Reg Baker and I show in our report, in much too much detail for presentation here, in the years 1977-1980 the refugees, particularly the men, appeared in the surveys of Opportunity Systems Inc. (OSI) and in our own INS registration card data, to be increasing their participation in the labor market. These refugees were learning the ropes in the US, and US unemployment rates were dropping. But, in those same years, the Social Security Administration records on taxable earnings suggest that substantial numbers of refugees--perhaps including many unreported self-employed--were apparently moving into the underground labor market.

Table 9 shows the dropping percentages of these workers with reported taxable wages. We have ruled out retirement, unemployment and emigration; deaths could not be a significant factor. Although there was some continued use of assistance by the members of the 1975 cohort during this period, that use was clearly not increasing. We think that they were going into the underground labor market and are worried about the implications.

TABLE 9

Two Measures of the Employment/Population Ratio of the 1975 Refugees, 1976-1980

SEX/AGE	MEASURE	1976	1977	1978	1979	1980
MALES						
20-24	SSA	92.3	90.5	86.0	85.2	
	INS			54.8	60.1	60.3
25-34	SSA	92.2	91.9	87.8	86.4	
	INS			76.5	82.3	87.0
35-44	SSA	90.3	90.5	85.5	85.4	
	INS			80.0	81.8	90.1
45-54	SSA	83.7	81.9	77.6	75.9	
	INS			74.3	80.2	84.5
FEMALES						
20-24	SSA	70.7	73.3	73.4	73.9	
	INS			41.3	46.1	50.0
25-34	SSA	63.1	66.2	67.5	69.9	
	INS			53.4	58.2	67.4
35-44	SSA	56.3	62.3	62.8	63.5	
	INS			50.2	57.6	65.5
45-54	SSA	41.9	43.8	44.9	43.5	
	INS			33.2	42.3	50.6

Sources: Evacuee/INS Longitudinal File and SSA Tabulations.

Concepts Used: INS data from alien address cards filed in January of the years noted. Percentages noted are of persons with a stated occupation to all persons in 1978, and persons employed to all persons in 1979 and 1980. SSA data show percentage of population with recorded FICA earnings (both wage and salary workers and self-employed persons). Since Social Security data cover a whole year and the INS data reflect the individual's status at the time the card was filed, SSA percentages would be expected to be higher than INS percentages.

Reproduced from: Baker and North, The 1975 Refugees: Their First Five Years in America, Table 26.

Not all commentators are as concerned as we are. One writer, in a study funded by an arm of the Social Security Administration, discussed financial arrangements in a Vietnamese-owned carryout:

> "...Extended family members eat at these establishments and take food home with them. They are often paid in kind, thus lessening the financial burdens of both their wage-earning families and the owner. (Such arrangements also enable the owner to wrest himself free from the federal regulations on wages and taxes.)"* [Emphasis added]

B. Earnings of All Cohorts of Indochinese Refugees

Virtually all of the remaining data on earnings of the Indochinese refugees are not based on government records. Most of it is based on surveys, primarily those of OSI (which have been funded by ORR). The one exception to that generalization is a data series started by the Internal Revenue Service which covered not earnings but IRS-taxable income for the years 1976, 1977, and 1978. This is shown in Table 10 (which first appeared in a report written at the New TransCentury Foundation in 1979).** Table 10 shows healthy annual increases in taxable income, in returns filed, and in tax obligations for the Indochinese refugees arriving between 1975 and 1978. Unfortunately, this promising data series was discontinued after this table was prepared. (See Appendix B for a full description of the extent to which the government has needlessly denied itself data useful for policy-making.)

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*Indochinese Community Center, Entrepreneurship Among Southeast Asian Refugees (Washington: ICC, 1983), p. 9.

**Julia Taft, David North, and David Ford, Refugee Resettlement in the U.S.: Time for a New Focus (Washington: New TransCentury Foundation, 1979).

TABLE 10

Distribution of Refugees Filing Income Tax Returns and the Amount of their Adjusted Gross Income and Reported Tax Liability, by Income Level, 1976-1978

ADJUSTED GROSS INCOME	TAX YEAR 1976			TAX YEAR 1977			TAX YEAR 1978		
	TOTAL RETURNS	TOTAL AGI* REPORTED	TOTAL TAX REPORTED	TOTAL RETURNS	TOTAL AGI* REPORTED	TOTAL TAX REPORTED	TOTAL RETURNS	TOTAL AGI* REPORTED	TOTAL TAX REPORTED
Less Than $ 5,000	12,547	$32,313,191	$ 760,308	10,428	$25,419,187	$ 338,469	12,284	$26,495,728	$ 336,379
$ 5,000 - $ 9,999	8,698	60,021,139	3,651,657	9,823	70,832,173	4,235,940	9,463	69,736,206	4,501,112
$10,000 - $14,999	1,987	23,712,419	1,828,227	3,712	44,955,809	3,554,050	4,960	60,353,809	5,572,218
$15,000 - $19,999	422	7,104,821	712,786	1,394	23,736,190	2,292,093	2,236	38,467,732	3,888,449
$20,000 - $24,999	69	1,503,629	176,441	360	7,873,553	925,335	945	20,872,700	2,429,787
$25,000 or more	27	798,555	132,245	123	3,737,361	593,229	428	12,675,966	1,777,992
TOTAL	23,750	$125,454,754	$7,261,664	25,840	$176,554,273	$11,939,116	30,316	$228,602,141	$18,505,937
MEAN**		$5,282			$6,833			$7,299	

*AGI = Adjusted Gross Income

**Derived by dividing "Total AGI Reported" by "Total Returns"

Source: Special printout secured by agreement between Indochinese Refugee Assistance Program, HEW, and the Internal Revenue Service, July 13, 1979.

Taken from Julia Taft, David North, and David Ford, Refugee Resettlement in the U.S.: Time for a New Focus (Washington New TransCentury Foundation, 1979), p. 174.

For years, to continue the needless-data-problems theme for a moment, OSI presented its household income data (and its wage and salary data) in a mannner which guaranteed its incomparability. Only OSI presented data on households with incomes in $200-a-month increments, from $200 to $800. Similarly, only OSI discussed weekly earnings in $50-$100-$150-$200 increments. Happily for the refugees, if not for the analysts, pretty soon most of the respondents were in the top income brackets, as Table 11 indicates.

It should be noted that the table measures two quite different concepts--household income (from all sources) and individual earnings. (A review of Table 17 in the various OSI reports shows a consistent minority even within the $800-plus households show no earnings among them)*

Setting aside these considerations, Table 11 shows Vietnamese incomes rising to a peak in the fall of 1979 and then declining. Lao and Cambodian household incomes, somewhat below those of the Vietnamese, started to drop in the spring of 1979. Since these data dealt with the entire population of Indochinese refugees (and were not confined to those arriving in a single year), the larger flows of new refugees in 1979 presumably depressed the averages.

Table 11 also shows weekly earnings and indicates that throughout the period (with the exception of Vietnamese in Wave IX) a majority of surveyed refugees were not earning $200 a week. In comparison, US blue collar workers

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*Wave IX data, for example, show that 9.7 percent of the Vietnamese households, 13.1 percent of the Cambodian households, and 12.4 percent of the Lao households in the $800+ grouping had no earnings.

TABLE 11

Monthly Household Income of $800 or More and Individual Weekly Wages of $200 or More for Different Groups of OSI-Surveyed Refugees, 1975-1980

SURVEYED POPULATION	WAVE	WHEN CONDUCTED	PERCENT WITH MONTHLY HOUSE-HOLD INCOME OF $800 OR MORE	PERCENT WITH WEEKLY EARNINGS OF OF $200 OR MORE
Vietnamese	I	Summer 1975	14.9%	n/a
"	II	Nov-Dec 1975	32.4	3.2
"	III	July-Aug 1976	41.2	5.3
"	IV	Nov-Dec 1976	43.8	n/a
"	V	July-Aug 1977	51.4	14.3
"	VI	Nov-Dec 1978	70.0	33.7
"	VII	Apr-June 1979	75.6	n/a
"	VIII	Oct-Nov 1979	79.4	49.9
"	IX	Oct-Nov 1980	67.6	53.7
Cambodian	VI	Nov-Dec 1978	63.1	29.7
"	VII	Apr-June 1979	74.5	38.2
"	VIII	Oct-Nov 1979	73.8	40.7
"	IX	Oct-Nov 1980	64.5	38.8
Laotian	VII	Apr-June 1979	67.4	27.9
"	VIII	Oct-Nov 1979	59.7	36.9
"	IX	Oct-Nov 1980	55.8	37.1

Source: OSI Reports (Generally Tables 13 for earnings, and Tables 15 for income).

averaged $235 a week for a 35-hour week in 1980.* (We make this comparison knowing that many Indochinese refugees had both training and experience in professional-level work, and that most worked 40 or more hours per week.)

As the refugees encountered the 1983-83 recession, the picture worsened for them. Table 12 shows average weekly earnings for the refugees compared to those from the BLS series on production or nonsupervisory workers. While US blue collar workers, in general, secured small gains in their weekly wages through the recession, all five groups of refugees took heavy losses in weekly earnings in 1982, particularly the Vietnamese; 1983 was little better. Although these data show higher earnings for the Vietnamese in 1981 than for US blue collar workers, no group of refugees had higher earnings than the US blue collar workers in either 1982 or 1983. Apparently the recession did more harm to the refugees than the US population generally, both in terms of unemployment (mentioned subsequently) and in weekly wages.

Table 12 also indicates a consistent pattern of higher earnings for the Vietnamese than for the other refugee groups. Some unknown part of this difference rests on the earlier average arrival date of the Vietnamese in this country, as opposed to the other groups.

Another source of data on the earnings of the refugees can be found in Bruce Dunning's careful and exhaustive account of the survey conducted by the

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*See Bureau of Labor Statistics, Employment and Earnings, March 1981, Table C-1, "Gross Hours and Earnings of Production or Nonsupervisory Workers on Private Nonagricultural Payrolls."

TABLE 12

Average Weekly Wages for Five Groups of Indochinese Refugees and for US Production or Nonsupervisory Workers, 1981, 1982 and 1983

(in US dollars unless otherwise noted)

PERIOD	U S D A T A		I N D O C H I N E S E D A T A				
	Unemployment Rate for Year	Production or Nonsupervisory Workers	Vietnamese	Lao	Ethnic Chinese	Cambodian	Hmong
October 1981	7.6%	260.44	356.61	179.66	246.08	341.14	218.26
October 1982	9.7	270.31	235.08	176.10	173.28	170.60	183.84
October 1983	9.6	287.70p	219.23	181.03	182.36	170.56	201.38

Sources: Unemployment rate, 1981, Statistical Abstract of the U.S. 1982-83, Table 656; comparable data for subsequent years secured by telephone with the Bureau of Labor Statistics. Earnings data for production or nonsupervisory workers from Employment and Earnings, January issues, 1982, 1983 and 1984, Table C-1. Earnings data for Indochinese workers from OSI Surveys, Waves X, XI, and XII (unpublished ORR statistics).

Note: Samples of the Cambodian and Hmong workers are relatively small and should be used with caution. All data are for those who are employed.

The letter "p" indicates preliminary data.

Bureau of Social Science Research.* Those interviewed were Indochinese refugees, 18 years of age or older, who had registered with INS in January, 1980, and who lived in the Orange-Los Angeles County area, in the Houston-Galveston region, or in New Orleans. Among his findings were the following:

1. Male respondents worked 42.7 hours per week, and the women, 38.3. They were paid an average of $5.40 and $4.09 an hour (at a time when the minimum wage was $3.35 an hour).

2. Median personal monthly income from all sources was $826 for men and $451 for women, and $618 for the total.

3. Refugees aged 41 to 50 had the highest monthly incomes (when arrayed by age groups). Vietnamese families had higher incomes than Sino-Vietnamese ($630 vs. $585). Income patterns related directly to self-assessed English language competency.

4. Income varied by year of arrival, with the 1976 group reporting the highest median monthly incomes ($877), followed by the 1975 group ($703), 1977 ($697), 1978 ($595), and 1979 ($473).

5. The overwhelming majority were employed in the private sector, with 86 percent being employed by others and 4 percent self-employed. The balance, 11 percent, were employed by units of government, churches, hospitals, and schools. Some of the public sector employees were undoubtedly working in social service programs designed to assist refugees.

The wages and earnings of the refugees clearly place many of them in the lower tiers of the US labor market. Certainly the conventional wisdom is that many of the new arrivals work at or very near the minimum wage. But how many work at exactly the minimum wage? How many work below it? Unfortunately, existing data are not very helpful. (The Baker-North data were annual taxable earings; Dunning used a $3.75 an hour cut-off; OSI data are now expressed in means, etc.) Given the fact that the minimum wage,

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*Bruce B. Dunning, Survey of the Social, Psychological, and Economic Adaptation of Vietnamese Refugees in the U.S., 1975-1979 (Washington: Bureau of Social Science Research, 1982), pp. 142-155.

formerly adjusted upwards with some degree of regularity, has been at the $3.35 an hour level since January 1, 1981, and given the fact that an increasing percentage of refugees have been in the nation for longer periods of time, the question of the interaction between refugees and the minimum wage has lost some of its intensity. It would be helpful, however, the next time OSI or other researchers take a survey, to find out how many of the refugees are below, at, or just above the minimum wage. It might well be that an increase in the minimum wage would remove some refugees from the assistance rolls and decrease benefits to others.

We now turn to a discussion of the utilization of public assistance by low- and no-income refugees.

II. PUBLIC ASSISTANCE UTILIZATION

Following brief definitions of public assistance and of assisted refugees, we seek to answer several questions:

(1) how much public assistance is received by how many refugees? (interestingly, most assistance is neither handled nor reported by ORR);

(2) what are the trends over time?

(3) what personal characteristics (educational background, ethnicity) appear to relate to assistance utilization?

(4) what is the distribution of assistance utilization in the various states? and

(5) how do assistance patterns interact with the workings of the US economy?

A. Definitions.

A writer in this field has the choice of being either comprehensive or comprehensible; one cannot be both. If one wanted to cover the subject meticulously many cash and in-kind assistance programs would need to be examined, from the initial outlay of goods and cash funded by the State Department and the voluntary agencies through various educational and housing assistance programs to some of the lesser programs of ORR (e.g., the Matching Grant and Unaccompanied Minors Programs). The resulting document would be fun to write, being carefully defined, richly nuanced, and complete with scores of tables; it would also not meet the needs of this audience. With that in mind, we are focusing on a handful of cash or near-cash assistance programs for which there are at least some data (and which fit the general public's notion of welfare):

- o Refugee Cash Assistance (RCA),
- o Aid to Families with Dependent Children (AFDC),
- o Supplemental Security Income (SSI),
- o General Assistance, and
- o Food Stamps.

As for defining refugees, we have taken a similar approach. Approximately 75-80 percent of the refugees who have arrived in the US since 1975 are from Indochina. While ORR is now beginning to extract some data from the states on the non-Indochinese, non-Entrant population, the historical data are too skimpy and the size of the population too small to deal with in a paper such as this. Further, while excellent data (thanks to the Jewish agencies) are available on one of these populations, the Soviet Jews, these data suggest that the population is so different demographically that it would be inappropriate to lump it in with the much larger Indochinese refugee population. (The Russians, for example, have few children among them and many people at or near retirement age. Further, as to assistance resources, this population is much more likely to rely on SSI and on the remarkably generous community organizations than is the Indochinese.)* There are ample enough distinctions to be made within the Indochinese community without venturing further.

B. How Much is Paid to How Many?

We were asked to discuss public assistance utilization by refugees. Since we are dealing with a special federal population admitted through exceptions to the federal immigration laws, whose assistance is (largely)

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*For more on the non-Indochinese, non-Entrant population, see Timothy J. Eckels, Lawrence S. Lewin, David S. North, and Danguole J. Spakevicius, Portrait in Diversity: Voluntary Agencies and the Office of Refugee Resettlement Matching Grant Program, Final Report (Washington: Lewin and Associates), Chapter 3.

funded through a series of federal channels, one might expect that the government records would answer two fundamental questions:

1. how many Indochinese refugees receive public assistance?
2. how much does this assistance cost?

Although hundreds of millions of dollars are spent each year on cash assistance to refugees, and although the question of refugee welfare dependency is a hot public policy issue, the government has no hard data on the dollars involved (and no estimates known to us). Further, although the government has funded several major research projects on related subjects, one searches the resulting reports in vain for answers to these two questions. While hard data are lacking, the raw material for estimating such costs are readily available (as we explain at some length in Appendix A). The estimated answers to these questions as of the end of FY 1983 are as follows:

1. We estimate that the total number of assistance recipients is approximately equal to the Food Stamp population, 327,000. About 267,000 persons also receive cash assistance, about 136,000 in ORR-funded programs, and about 131,000 in non-ORR-funded programs. Virtually all the cash assistance recipients are also eligible for Food Stamps. An additional overlap occurs in the SSI population of 13,000, since many of them receive state supplements. Refugees in the nation for less than 36 months (time-eligible) have their supplements paid for by ORR; those here longer (time-expired refugees) receive state-provided supplements. Since the nation had admitted 659,001 Indochinese refugees by September 30, 1983 (and since deaths have not been numerous), this indicates that about one-half (49.6 percent) of the refugees are on one or more assistance

programs, and about two-in-five (40.5 percent) are on two or more assistance programs.*

2. The total annual cost of the assistance appeared to be running at the following annual levels at the end of FY 1983:

ORR Programs for time-eligible refugees (RCA, state AFDC contributions, state SSI supplements and General Assistance)	$192,000,000
Other Federal Programs:	
Food Stamps	$169,651,000
Non-ORR, federally-funded AFDC for time-eligible refugees	$ 91,867,000
SSI (federal benefits)	$ 39,051,000
Mixed funding sources for programs for time-expired refugees (AFDC, General Assistance, and state SSI supplements)	$213,779,000
TOTAL	$706,348,000

One is immediately struck by the relationship between the ORR-funded and non-ORR-funded totals. At the end of FY 1983 only about 27 percent of the estimated costs were channeled through ORR; the rest were assigned to mainline income transfer programs. (In the long run this may prove to be a good thing for the refugee program, but in the meantime we should be aware of it.) A brief description of the assistance programs may be useful.

For the first 18 months in the country, ORR provides Refugee Cash Assistance to all low-income refugees regardless of their family status.

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*While reviewing this, Linda Gordon of ORR made the important point that although deaths have been small in number, there have been many births. A US-born baby will not be counted in the number of refugee admissions but will be noted as a refugee receiving benefits (if that is the case). Data on this point are not readily available, but this factor should depress the utilization percentages noted above by a point or two.

This is a special benefit not received by any other US population and is designed to help the refugees overcome their special disadvantages. While RCA beneficiaries are paid benefits at the same levels as AFDC benefits in their communities, they do not have to meet the categorical requirements of AFDC. Thus single refugees and those in intact families can receive benefits which would not be available under AFDC (which always requires the presence of both a parent and a child, and which is not available in many states if both parents are present and able-bodied).

ORR provides three other cash assistance programs for time-eligible refugees: (1) General Assistance (in states with such programs) to qualifying refugees during their second 18 months in the country; (2) the state and local share of AFDC, roughly 48 percent of the costs, to eligible families during their first 36 months in the country; and (3) state supplements to SSI grants, where such supplements are used, for the first 36 months. Some of these program-financing matters are unseen by the refugees, and some are important to them. Refugees qualifying for AFDC or SSI supplements or General Assistance will continue to receive these benefits as the 36th month becomes the 37th, but a different level of government will foot the bill. The 18-month termination of RGA is a different matter for the individual, because all benefits stop if no General Assistance program is available (as is the case in many states, such as Texas), or the benefit formula may change--probably for the worse--as the refugee moves from the more generous RCA program to the less generous General Assistance program.

ORR pays the state and local contribution to AFDC benefits, but the Office of Family Assistance (another arm of DHHS) pays for the federal share. This intramural mix of funding sources does not matter to the recipients, but

the OFA contribution is another element in the financing system.

Supplemental Security Income is a largely federal program designed to provide financial assistance to low-income persons who are aged, disabled, or blind. Though operated by the Social Security Administration, it is a welfare, not a social insurance, program (unlike the disablity segment of the of the Social Security Administration's pension program). Refugees have the same access to the SSI program as other Americans (and superior access to other immigrants, who have to go through a waiting period), but the principal part of the benefits, the federal portion, is not financed through ORR. SSI state supplements are ORR-funded, however, for the first three years of residence.

Refugees have the same access to Food Stamps as other Americans; there are no 18-month or 36-month limits. The program is totally federally-funded, but is administered by the states. With refugees, as with other Americans, it is the most widely-used of the income transfer programs. This program, to an extent greater than the others, is often used to supplement earned income, particularly in large families.

The non-ORR-funded programs for time-expired refugees are AFDC, General Assistance, and State Supplements to SSI. AFDC is funded by a combination of federal and state funds (with localities sometimes sharing in the state portion). General Assistance is an income transfer program of last resort for people unable to qualify for the other programs. There are no federal funds involved, with support coming from state funds in some places, state and local funds in others; in California and a few other places General Assistance is supported only by localities. State supplements to SSI, also available in only some states, is a state-supported program. It is designed

to give the state's SSI recipients a higher benefit than the national benefit.

C. Trends Over Time.

As is well-known, three factors have clearly played a role in determining the numbers--and percentages--of refugees receiving financial assistance (a term we use to cover both cash benefits and Food Stamps). These three are:

1. the total number of refugees admitted,
2. their length of time in the nation, and
3. the differing backgrounds of the cohorts of 1975 and 1976, on one hand, and those who arrived later, on the other.

The 1975 cohort (and apparently the 1976 one as well) were typical first waves of a refugee population. Many had played prominent roles in the non-communist regime; many had high levels of education, urban skills and knowledge of English; some came with substantial sums of money. They also arrived before America experienced "compassion fatigue." Given all of these factors, their utilization of financial assistance was minimal, barely topping 10 percent in the autumn of 1975, nearly six months after the fall of Saigon.

As time passed several things happened; first, once the initial burst of support flagged, an increasing number of the early arrivals turned to cash assistance. Much more significantly, renewed refugee flows began arriving in FY 1979 and particularly in FY 1980 (when more than 160,000 were admitted); and while utilization rates for the 1975 refugees had begun to fall, the numerous (and substantially more disadvantaged) new cohorts of refugees caused cash assistance totals to increase swiftly.

Then the volume of admissions slacked off, with 132,454 being recorded in FY 1981, 72,155 in FY 1982, and 39,448 in FY 1983. This meant that throughout this period the refugee population was increasing, but more slowly, and the percentage of experienced refugees (rather than new arrivals) kept increasing. Since refugee need for (and use of) assistance declines with the passage of (apparently several) years, one could anticipate both a plateauing of welfare utilization and also its ultimate decline. Table 13 indicates that by the fall of 1983 the plateau had been reached and probably (our estimates are not sturdy enough to be certain) both the number of Indochinese refugees on assistance as well as the percentage of the population using assistance had begun to fall.

Table 13, unfortunately, is not based on a single data system . ORR kept count of recipients of refugee cash assistance from 1975 until some time in 1981. The 1981 and 1982 estimates of cash assistance utilization in the table reflect data secured in the OSI surveys of those years. The 1983 estimate, made by the author, is based on a composite of estimates and assumptions (spelled out in Appendix A). What it shows, in general, is that the population of refugees using cash assistance has stabilized at the 250,000-300,000 level, and that the population using Food Stamps has similarly stabilized around 325,000. With a slowly increasing total population, this means that the percentage of assistance has apparently begun to decline. Presumably if the inflow of refugees were to return to 1981 levels, or if the unemployment rates reversed their current trend, the utilization pattern could be reversed as well.

For a finer-grain analysis of the declining welfare utilization rates of each of the cohorts of refugees in 1981, 1982, and 1983, see Table 14, which is drawn from OSI data. Table 15 presents a similar picture, in a different

TABLE 13

Indochinese Refugees Receiving Cash Assistance (1975-1983) and Food Stamps (1981-1983), Partially Estimated

(as numbers and percents)

DATE	REFUGEE POPULATION	CASH ASSISTANCE SUBPOPULATION		FOOD STAMP SUBPOPULATION	
		Number	Percent	Number	Percent
09/15/75	92,274*	10,969	11.9		
09/01/76	138,058	41,188	29.8		
08/01/77	146,743	50,771	34.6		
08/01/78	162,214	53,644	33.0		
08/01/79	223,183	83,312	37.3		
08/01/80	388,477	176,314	45.4		
10/81	547.672	281,496	51.4	278,210	50.8
10/82	619,834	293,792	47.4	329,121	53.1
FY 83	659,282	266,992	40.5	326,782	49.6

Sources: Population and cash assistance data, FYs 1975-1980 from Office of Refugee Resettlement, Report to the Congress, January 31, 1981, Table 13; population data, FY 1981 from Report to the Congress, January 31, 1982, Table 1, and for FY 1982 the same source in the following year's report; population data for FY 1983 based on unpublished FY 1983 admissions data from the Bureau of Refugee Programs, U.S. Department of State, added to the October 1982 ORR total; cash assistance data for FY 1981 and 1982, and Food Stamps data for FYs 1981-1983, OSI survey data (cited more fully in the source note to Table 14 of this report); FY 1983 cash assistance estimate is the author's own, as described in Appendix A.

*There were, in fact, some 130,000 Indochinese refugees in the U.S. at this time. The definition of this population is not clear, but probably consisted of refugees living in states for which welfare data were available.

TABLE 14

Food Stamp and Cash Assistance Participation Rates for Indochinese Refugees, by Year of Arrival, Reported in OSI Surveys of 1981, 1982, and 1983

YEAR OF ENTRY	FOOD STAMP PARTICIPATION RATES			CASH ASSISTANCE PARTICIPATION RATES		
	1981	1982	1983	1981	1982	1983
1975	13.5	16.0	12.6	12.7	14.4	11.4
1976-77	31.7	31.5	16.1	28.5	25.5	5.7
1978	53.9	31.8	48.5	52.7	29.5	36.1
1979	55.9	53.3	44.0	62.9	42.2	37.1
1980	68.1	65.7	52.2	67.9	53.9	46.7
1981	83.3	77.3	67.3	80.0	75.2	62.4
1982	n/a	79.9	71.5	n/a	82.1	64.4
1983	n/a	n/a	76.5	n/a	n/a	79.8
All Years	50.8	53.1	49.6	51.4	47.4	44.2*

Source of estimated rates: OSI survey data provided to ORR. (See Table 4-1 of unpublished ORR documents summarizing the 1981 and 1982 surveys; 1983 data furnished by telephone.)

*In Table 13, using a different methodology, we project this figure as 40.5%.

TABLE 15

Labor Force Participation and Cash Assistance Utilization Rates Over the First 36 Months of Indochinese Refugee Presence in the US

	Length of Residence in US (in months)						
	0-6	7-12	13-18	19-24	25-30	31-36	Over 36
Labor Force Participation (Adults)	21.6	33.3	36.6	54.6	48.9	59.0	68.4
Percent Receiving Cash Assistance (All Refugees)	82.7	81.7	75.6	67.3	54.0	46.3	22.7

Source: OSI survey data as reported in Office of Refugee Resettlement, Report to the Congress, January 31, 1983, p. 25.

A review of the data in Table 14 shows a fairly steady--but long term--move away from the assistance rolls. In the first year, about four refugees out of five are on welfare; after about three years, it drops to three of five; and after four and a half to five years, it appears to stabilize at around one and a half to two out of five. (We suspect that the gap between the utilization levels of the 1975-77 cohorts and the later ones will persist, even as many more years pass.) These data suggest that the adjustment or self-sufficiency-creation process is a very long one. (Similarly, in the Baker-North study of the 1975 cohort of refugees, we found that it took five years for these refugees to reach the labor force participation levels of other Americans, when age and sex are held constant.)*

Three observations should be made about Table 14. First, there are several instances (such as the record of the 1979 refugees in 1981) which show that cash assistance utilization was above that of Food Stamps. This seems unlikely given the nature of these programs. Second, we are told that the size of the study groups of the 1976 and 1977 cohorts, which we have merged for that reason, are quite small. On the other hand, this table and Table 13 show rather gentle (and therefore readily believable) flows of utilization patterns.

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*Baker and North, "The 1975 Refugees" (forthcoming), Chapter 3.

The use of other estimation techniques, producing apparently dramatic changes in welfare-utilization rates, has been covered too thoroughly by Susan Forbes and Refugee Reports* for extensive analysis here.

D. The Role of Demographic and Human Capital Factors.

Assistance utilization rates among Americans, generally, vary radically along predictable lines. The able-bodied, 30-year-old, college-graduate, native-born US citizen is much less likely to be on the assistance rolls than the 70-year-old, illiterate, native-born US citizen. The same patterns apply to refugees. Two quite different sets of factors are significant: demographic variables (e.g., size of household, presence or absence of children, age, and sex) and human capital ones (e.g., years of education, extent and type of previous employment, and knowledge of English).

As Table 16 shows, there appears to be a strong correlation between household size and assistance receipt: the more people in the household the more likely there will be cash assistance. Similarly, the more children under either 16 or 6 the more likely the use of assistance. What is remarkable, however, is that over 60 percent of the assistance-using families have no children under 16. Clearly these families are not eligible for AFDC and must be drawing from one of the other programs (RCA, General Assistance, or SSI).

*For example, in 1981 an official of the Department of Health and Human Services told a Congressional Subcommittee that 67 percent of the refugees were on cash assistance. Although it is hard to believe, the data behind this rate included non-Indochinese refugee welfare recipients in the numerator but not in the denominator. For more on this subject, see Susan Forbes, "The Meaning of Refugee Welfare Dependency Rates" paper published by the Refugee Policy Group, Washington, DC, September 1, 1982; and "Refugee Dependency Rates: A Matter of Numbers," Refugee Reports, July 30, 1982. (The tables accompanying that article are particularly helpful.)

TABLE 16

Comparison of Recipients and Non-Recipients of Cash Assistance

Characteristic	Recipients	Non-Recipients
Average household size	5.1	3.8
Average number of wage-earners per household	0.5	1.6
Percent of household members Under the age of 6.	14.5%	9.0%
Under the age of 16	38.1%	24.5%
Percent of households with at least one fluent English speaker	2.4%	15.0%

Source: Office of Refugee Resettlement, Report to the Congress, January 31, 1983, p. 26.

For data on assistance usage by age and sex, we turn to Bruce Dunning's study of Vietnamese refugees who arrived in the US between 1975 and 1979.* In his report, he draws a distinction between receipt of payments and benefiting from payments made to others in the household. Regarding the variable of age, he reported that 99 percent of the oldest (those between 61 and 79) benefited from government income support programs, while the youngest (between 18 and 20) included 67 percent beneficiaries and 49 percent recipients. The percentage of recipients dropped to the 25-35 percent range for those in the twenties, thirties and forties. In all, 48 percent of his respondents benefited from income transfer programs, with women (52 percent) somewhat more likely to do so than men (44 percent). Dunning's interviews took place in late 1980 and early 1981, before the 1980 Refugee Act time limits on benefits became effective.

The human capital variables loom large in assistance utilization patterns. For example, Dunning found that respondents with no education reported a receipt rate of 81 percent, compared to 17 percent for those with 17 or more years of education. Those with a self-assessed capacity to speak English well or very well had a receipt rate of 12 percent, while those who felt that they had little or no English ability had a rate of 63 percent.

Although data on this point do not seem to be available directly, one could surmise that there is a similar relationship between type of occupation in Southeast Asia and assistance utilization in the US. (As noted previously in Table 15 there is a predictable inverse relationship between labor force participation and assistance utilization rates.) Since labor force participation appear to be higher for those who had professional positions or

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*Dunning, Vietnamese Refugees in the US, pp. 158-176.

military service in the home country,* one could assume that refugees with these backgrounds would be less likely to use assistance than others. (And the reverse holds true as well; those who had been farmers and fisherfolk in Indochina have lower labor force participation rates in the US and presumably higher assistance use rates.)

Different groups of Indochinese refugees arrived in the US with different amounts of human capital; some had more education, more English, and more contact with modern industrial societies than others. At first, data on subsets of the Indochinese refugees were available only along the lines of nation of birth. Table 17, for example, shows the varying rates of assistance utilization in 1979 and 1980 by those born in the three nations of Indochina. Those from Laos (including many Hmong) were the most dependent.

Subsequently, more detailed information became available. Dunning found that 48 percent of the Sino-Vietnamese in his study group received assistance, as compared to 33 percent for the Vietnamese in his sample.** Still later, Denis White's Orange County survey found the following labor force participation rates (inverse mirrors of assistance rates) for respondents 18 years of age and older:***

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*For a summary of labor force participation rates by occupation in Indochina see Robert L. Bach, Linda W. Gordon, David W. Haines, and David R. Howell, "The Economic Adjustment of Southeast Asian Refugees in the US," World Refugee Survey, 1983 (New York: American Council for Nationalities Service, 1983), pp. 51-55.

**Dunning, Vietnamese Refugees, p. 161.

***Capturing the Change: The Impact of Indochinese Refugees in Orange County; Challenges and Opportunities (Santa Ana: Immigrant and Refugee Planning Center, 1982).

Vietnamese	43%
Laotians	29%
Cambodians	24%
Hmong	14%

The Hmong, who did not have a written language until a generation ago, are clearly the refugee subpopulation with the least human capital (as far as an urban economy is concerned). There were three occupations traditionally available to the men: slash-and-burn agriculture, opium growing, and guerilla warfare; and little more than rural village life was available to the women. This group, then, though intimately tied to the US war effort, was ill-equipped to deal with US society with resulting high assistance utilization rates.

E. Geographic Distribution of Refugees Receiving Assistance

While refugees live in all of the fifty states, most of them are concentrated in only a few: California, Texas, Washington, Illinois, and Virginia. Further, some states have more generous income transfer programs than others. So the distribution of refugees receiving cash assistance is even more skewed than the distribution of the refugee population as a whole. Consequently some states have a much larger percentage of their population on the assistance rolls than others, as Table 18 indicates.

Before discussing why the percentages vary so much from state to state in Table 18, it is necessary to enter another statistical caveat. At first glance, the assistance utilization rates in 1980 for Minnesota, Oregon, and Washington appear impossible (since each is more than 100 percent). There are at least two reasons for these seeming discrepancies: first, the assistance data were collected on August 1 and the residency data on January 1. Nineteen eighty was a year of heavy Indochinese refugee arrivals (and

TABLE 17

Percent of Sampled Indochinese Refugee Households Receiving Some Form of Federal Assistance, by Nation of Birth

NATION OF BIRTH	APR-JUN 1979	OCT-NOV 1979	OCT-NOV 1980
Vietnam	29.2	31.0	42.3
Cambodia	26.7	30.9	47.9
Laos	56.3	57.0	67.6

Source: OSI survey data, Waves VII, VIII, and IX, Tables 33 for all except Laotian, Wave IX, which is Table 19.

Note: These data were not available by year of entry. Since the length of stay of the Vietnamese was, on average, longer than that of the other two populations, the Vietnamese assistance rates could be expected to be lower than those of the others.

TABLE 18

Refugee Cash Assistance Utilization Rates (Calculated with Different Methodologies) for the Ten States with the Largest Refugee Populations in 1980 and 1983

STATE	1980 DATA			1983 DATA
	TOTAL REFUGEE POPULATION JANUARY, 1980 (1)	TOTAL REFUGEE RECIPIENT POPULATION AUG 1, 1980 (2)	COLUMN 1 ÷ COLUMN 2 (3)	PERCENTAGE OF TIME-ELIGIBLE POPULATION RECEIVING ASSISTANCE (4)
California	85,938	73,800	86.9%	91%
Texas	23,692	7,803	33.0	15
Washington	10,773	12,394	115.0	45
Pennsylvania	10,504	5,195	49.0	57
Illinois	8,899	7,258	82.0	40
Virginia	8,092	3,870	48.0	30
Louisiana	7,592	2,893	38.0	29
Minnesota	7,225	9,852	136.0	64
New York	6,670	2,649	40.0	42
Oregon	6,462	7,058	109.0	53

Sources: Columns 1 and 2, Office of Refugee Resettlement, Report to Congress, January 31, 1981, Tables 10 and 14; Column 4, preliminary ORR data for September 30, 1983.

Note: Since the 1980 Amendments had not come into effect on either of the dates in 1980, data are for what now would be called time-eligible Indochinese refugees. The 1983 data cover both Indochinese and non-Indochinese refugees. Data for both years cover ORR-funded assistance programs only (which excludes, for example, Food Stamps).

secondary migration), and close to 100,000 refugees arrived in the US during that interval, many of whom settled in those two states.

Second and probably more important, the January registration by INS was for all practical purposes an exercise without a reward for the refugees -- they had an obligation under the law to file their alien registration cards. The August 1 registration, on the other hand, was rewarded with cash payments for the eligibles. In short, the January 1, 1980 registration could not help but be an undercount, while the August 1, 1980, assistance rolls recorded the full count of those receiving checks. (An additional minor point: the 1980 data dealt only with Indochinese refugees, while the 1983 data cover both Indochinese and non-Indochinese refugees but not Entrants.)

Why are there such widely varying assistance utilization percentages? Why do these variations occur when there are national laws and regulations about the distribution of assistance to refugees? There are several sets of answers to this question, which are not necessarily in conflict with each other. One theory is that the nature of the state's welfare program affects the refugee's decision to file or not to file for assistance; we will call this the state policy theory. The second theory is that the state's assistance policy is well-known to the refugee before he chooses his place of settlement (or his locus for secondary migration). Refugees, for example, may chose to move into an Indochinese community in Texas where they hear that jobs are plentiful, or the refugees may decide to move to an Indochinese area in California where they know that the assistance benefits are more generous. In this, the selective migration theory, it is argued that the varying state policies, in addition to helping mold resident-refugee decisions, also shape the nature of the additions to the state's refugee population.

A third approach, favored by the General Accounting Office (GAO), might be termed the "inept placement theory." In its 1983 report, generally critical of high rates of welfare utilization and of voluntary agency practices, it said:

> "Many...problems have adversely affected Indochinese refugees reaching the...goal of self-sufficiency as quickly as possible. Foremost among these problems has been the continued placement of most refugees in a few locations in the United States and the lack of employment assistance given to newly arrived refugees, the majority of whom go on to public assistance."*

GAO was particularly critical of the then-practice of assigning refugees to locations of their choice in the name of "family unification." GAO, without saying so, favored a strictly Western, urban definition of family, rather than the looser Eastern and rural definition favored by the refugees. Since the completion of the report both the State Department and ORR have taken steps to avoid placing many refugees in the kinds of locations identified by GAO.

As to welfare utilization, the GAO files search (conducted in five locations) showed that of 594 employable age (broadly defined as 16-64) Indochinese refugees, 424 (71 percent) drew public assistance soon after

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*General Accounting Office, Greater Emphasis on Early Employment and Better Monitoring Needed in Indochinese Refugee Resettlement Program (Washington: GAO, March 1, 1983).

arrival, and 385 (65 percent) were still on the rolls four to six months later.*

A definitional note is needed here. The cash assistance being measured in Table 18 is for time-eligible** refugees and consists of RCA, ORR-funded AFDC and General Assistance, and ORR-funded state supplements to SSI. It does not cover Food Stamps, and this is an important distinction. Food Stamp eligibility requirements are the same around the nation, and I, for one, would assume a much more even distribution of Food Stamp recipients among the refugees than the kind of distribution shown in Table 18. Further, since the Food Stamp benefit formula is more generous for those with low welfare benefits, the individual Food Stamp benefit in low welfare states, such as Texas, would be higher than the benefits in a high welfare benefit state such as California. (This is the case because Congress has tried, through the Food Stamp program, to level out the widely varying benefit levels in the AFDC program, where the benefits are set by the state legislatures.)

When I first encountered this question I thought that there was high refugee utilization of assistance in California because the state's assistance program was gentle in its treatment of refugees and made it easy to receive benefits, while Texas, on the other hand, ran a tough, tight program. There may be something to this differential administrative approach, but the real variable is the size of the benefit checks.

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*Ibid., p. 19. See also the critical review of this document, which filled the March 25, 1983 issue of Refugee Reports.

**All refugees in 1980 were, in effect, time-eligible because none was yet time-expired.

It is important to recall that the level of both RCA and ORR-funded AFDC benefits are determined by state governments, even though 100 percent of the moneys spent on time-eligible refugees are drawn from the US Treasury. In Texas in the second quarter of 1981, the average AFDC benefit for an average family of three was $100. The comparable figure for an average family in California was $393.* Both of these benefits would be supplemented by Food Stamps. The Texas benefit levels produce a strong incentive to labor force participation,** and no inducement for benefit-seeking secondary migrants. The same cannot be said of the California system. As if the $100-$393 comparison were not enough, the Texas system has no provision for General Assistance, so the single refugee who had been supported by RCA and Food Stamps for the first 18 months must rely on Food Stamps alone therafter. Further, for those who have secured a job and then lose it, California unemployment insurance benefits are much more generous than those in Texas.

California and Texas are the two states with the largest refugee populations, and they are at the extremes of the cash assistance utilization spectrum. Most of the other states with sizeable refugee populations have benefit levels and benefit utilization patterns that fall between the two extremes.

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*US Department of Health and Human Services, Social Security Administration, Quarterly Public Assistance Statistics, April-June 1981, Table 15.

**In the Baker-North study cited earlier, we found a continuing pattern, stronger among men than women, that the ratio of workers to total adult population was always higher in Texas than in California. The employment-to-population ratio among the 1975 male refugees, for example, was 89.5 to 100 in Texas in 1980 compared to 80.5 to 100 in California that year. (Data derived from the Social Security Administration's taxable earnings files. See Chapter 4 of The 1975 Refugees(forthcoming).)

A generation ago, the argument that different welfare benefit levels cause migration revolved around Mississippi and New York and dealt with Blacks. Mississippi then had minimal economic opportunities (plus rampant discrimination), and it was argued that the Mississippi benefit levels were designed, among other things, to drive poor Blacks north. The Texas-California comparison appears to be somewhat different because both states are the targets of secondary migrants among the Indochinese. Texas, although similar to Mississippi in its AFDC benefit levels,* currently is, unlike the Mississippi of the forties, a major source of economic opportunity for refugees and other Americans.

Rational people can argue about the relative merits of the California and Texas benefit systems. What is clear to us is that, at some unknown human cost, the Texas system is stimulating work and discouraging welfare utilization.

F. Refugee Assistance Utilization and the US Economy

Although refugee labor force participation rates have increased dramatically with the passage of time (and assistance rates have shrunk) another factor needs to be examined: the number of job opportunities in the US as measured (in reverse) by the unemployment rate. Those rates were as follows:

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*In the second quarter of 1981, the average Mississippi benefit for a family was $86, the nation's lowest, and $14 below the Texas level.

Year	Rate
1975	8.5
1976	7.7
1977	7.1
1978	6.1
1979	5.8
1980	7.1
1981	7.6
1982	9.7
1983	9.6*

Perhaps one of the reasons for the lower assistance rates for the 1975 cohort was that after they had been here three years they had been facing a national unemployment rate of 6.1 percent; but the 1980 cohort, after three years, was facing a 9.6 percent rate. This was borne out in the Bach-Gordon-Haines-Howell article, which stated that the unemployment rate for Indochinese refugees had risen from 15.5 percent in the fall of 1981 to 24.1 percent (more than twice the national US average) in the fall of 1982.** Further, as we pointed out in the previous section on wages, refugee earnings were badly affected by the 1981-83 recession.

Both high unemployment rates and low wages increase the use of cash assistance. It should be recalled in this connection that one need not be totally unemployed to secure assistance. Many Indochinese and other American families receive both wage and salary income and assistance. As Table 19 shows, between one-quarter and one-third of the Vietnamese households in the 1979 and 1980 OSI surveys had this mix of income. The

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*Statistical Abstract of the US, 1982-83, Table 656 for the years 1975-81; comparable data for subsequent years secured by telephone from the Bureau of Labor Statistics.

**"Economic Adjustment of Southeast Asian Refugees," p. 52.

TABLE 19

Sources of Income in Vietnamese Refugee Households, 1979 and 1980

(as percents)

SOURCE OF INCOME	OCT-NOV 1979	OCT-NOV 1980
Wages and Salary Only	55.7%	46.7%
Wages and Assistance	31.1	25.9
Assistance Only	12.1	25.5
None	1.1	1.9
Total	100.0%	100.0%
Number of Households Surveyed	637	605

Source: OSI Survey Data, Waves VIII and IX, Table 16.

Note: Assistance is defined as RCA, SSI, Food Stamps and a catch-all category, "other financial contributions."

Cambodian households reported about the same distribution as the Vietnamese in the 1980 survey, but those from Laos had a greater degree of dependency. Of the Lao households, 37.2 percent had only assistance income; 33.2 percent had a mix of assistance and wages; and 29.1 percent had wage income only.

Another economic factor at work with the Indochinese refugees has been access to full-time work. Although we do not have data on the extent to which the refugees were involuntary part-time workers, we do know that the 1980 OSI survey reported the following incidence of less than 40-hour work weeks:

Nation of Birth	Men	Women
Vietnam	14.7%	19.8%
Cambodia	10.9	28.2
Laos	12.6	21.6

Source: OSI, Wave IX Survey, Table 12.

It is clear that <u>if</u> all the Indochinese who wanted work could have obtained it, and <u>if</u> those who wanted 40 or more hours a week could have secured these hours, and <u>if</u> the ones who were working at low wages could have had slightly higher wages, then dependency rates would be lowered, perhaps substantially.

III. THE PUBLIC POLICY ISSUES

There appear to be four sets of public policy issues relating to the assistance utilization patterns of the Indochinese refugees:

1. The nature of the nation's motivation for this program, and the appropriate place for it within the federal establishment
2. The treatment of this disadvantaged population compared to that of other disadvantaged populations.
3. The role of cash and food stamp assistance programs for the refugees, as compared to the role (and the size) of other human-capital-producing programs for refugees.
4. Alternative approaches to humanely reducing refugee dependency on assistance programs.

The issues to be discussed are arrayed below from the most global to the most immediate.

A. The Nation's Motivations Regarding Refugees.

Why are we worrying about the incomes (earned and otherwise) of these nearly 660,000 Indochinese? We worry about them because they are here in the United States, and they are a largely disadvantaged population.

Why are they in the United States? They are here because we have admitted them through a major exception within the immigration laws, and we have done this because they are our defeated allies in our international battle with communism. Our stated reason for admitting them is that they are in danger because of their political beliefs. This is part of the story but not all of it. Many in the nation feel that we intervened for a while in another nation's internal battle and then withdrew, leaving our allies in the lurch. The least that we can do, it is argued, is to save some of the

survivors. Further, it can be argued that it is in our long-term political interest to rescue our fallen allies; it helps strengthen our relations with our current allies.

The Indochinese refugees (like the Afghans, the Poles, and the Ethiopians) are in the United States as byproducts of our global diplomatic and military policies. Although it is a drastic suggestion, the care of the refugees should be allocated to the agencies responsible for these policies: the Departments of Defense and State (which already has the reception and placement program). These agencies are always--particularly now--well funded. The costs of the refugee program could easily be absorbed by the Pentagon. Those costs should be removed from the burdens of DHHS, struggling as it is to deliver services to millions of other disadvantaged Americans.

B. Refugees and Other Disadvantaged Americans.

It is very clear that we regard refugees (appropriately I think) as a population carrying multiple disadvantages. With this in mind, we provide a series of programs which are not available to other Americans (and this is appropriate, too, but politically difficult when DHHS seeks to reduce programs for the other disadvantaged populations). This difficulty could be ameliorated if the refugees, like the retired military, were supported by DOD.

Among the programs uniquely available to refugees are these:

a. the reception and placement grant programs, funded by State and operated by the voluntary agencies

b. Refugee Cash Assistance, giving non-categorically eligible refugees access to the equivalent to AFDC.

c. Special educational and other service programs, designed to help them overcome their disadvantages and to augment their human capital.

While it is obvious to the refugee-serving community that special programs have been created for this population, it is less obvious that the refugees, as a group, are making greater use of the mainline income transfer programs than almost any other major US subpopulation. Bearing in mind the Food Stamp utilization rate for the whole refugee population, just now apparently moving below the 50 percent mark, and the cash assistance utilization rate, apparently moving back down to the 40 percent mark, it is useful to look at Food Stamp and AFDC utilization rates for some other populations for the last full year for which data are available (1979):

1. Food Stamps - all persons (50 states) 8.0%
2. Food Stamps - blacks only (50 states) 28.0%
3. AFDC - all persons (50 states) 4.7%
4. AFDC - blacks only (50 states) 18.7%

The refugees, in short, are currently participating in these programs at rates that are substantially higher than national norms. This suggests that the topic is one of genuine concern.

C. Cash Assistance and Other Refugee-Serving Programs

Another way of viewing the assistance programs for the refugees is to compare the annual expenditures of public funds on financial assistance to other groups of refugee-serving programs:

State Department R&P Grants (FY 1982)	$20,850,305*
DHHS Social Service Grants (FY 1983)	$57,040,000**
DHHS Targeted Assistance Program (FY 1983)	$81,500,000*
Financial Assistance Estimate (end of FY 1983)	$706,348,000

Deliberately leaving medical assistance to one side (it is a totally different kind of program) we find that the sums spent trying to prevent dependency (the R&P, Social Service and Targeted Assistance Programs) are totally overwhelmed by the moneys laid out for direct financial assistance. Is this an imbalance? Can anything be done about it? Should we not allocate more funds for the prevention of dependency?

It should be noted that the ORR budget for a while was heading mildly in the right direction. The obligations for social service grants, including the national demonstration and special projects, came to $67.5 million in FY 1982 and rose to $71.3 million in FY 1983. This increase of 5.2 percent covered social services for all refugees, not just the Indochinese. Three factors can be considered in evaluating the size of this increase: the growth in the total post-1975 refugee population, the decrease in the time-eligible population, and the slightly decreased value of the dollar because of inflation.

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*Unpublished data from the Bureau for Refugee Programs, US Department of State.

**A total of $71.3 million was devoted to social services (including national demonstration and special projects) and of this we estimate that 80 percent ($57.0 million) was spent on Indochinese refugees. Even if the estimate is off by 10 percent or so, the order of magnitude remains the same.

When the FY 1984 budget was being prepared, the Administration requested $57.5 million for social services, a substantial decrease. Now DHHS interprets the provisions of the Second Continuing Resolution as indicating that ORR can spend no more than $44.4 million for social services in FY 1984.

In short, while the FY 1983 data and estimates cited above showed about $4.50 being spent on assistance for every dollar spent on R&P (which includes some short-term assistance as well), targeted assistance, and social service grants, it is likely that this ratio will widen in FY 1984.

D. Alternative Approaches to Reducing Dependency.

In the course of our analysis of dependency rates (and those of others as well), we have found that the following factors seem to correlate with high assistance utilization rates:

- o inadequate education
- o lack of proficiency in English
- o lack of home country urban job experience
- o large families
- o settlement in California
- o unemployment and low wages

Further, although we have not stressed the matter adequately, a number of efforts have been made, some more successful than others, to reduce dependency. We now review the steps taken that have been helpful, those that have not been helpful, and those that have been rejected (or simply not discussed).

1. Helpful Actions

   - Probably the most significant, broad-stroke improvement has been the decision to orient refugees and teach them English in the processing camps, such as the one on Bataan. This has been a non-controversial, low-cost method of augmenting the human capital of the arriving refugees.

   - Setting an 18-month limit on RCA for those not categorically eligible for AFDC or SSI was probably a good idea, as one can learn a lot in 18 months in the US, particularly if it follows six months or so learning English in a camp.

   - The exploration of the possibility of case management (along the lines of the vocational rehabilitation agencies) also appears promising and should be pursued with vigor.

2. Not So Helpful Actions

   - Heaping blame on the voluntary agencies for the dependency rates (a Congressional and media specialty) is not very useful, given their extremely limited leverage with the refugees and the limited funds they control (as contrasted with the total flow of assistance dollars). Defining their role more carefully is useful, however.

- o Widespread reductions in programs serving the disadvantaged generally (e.g., Food Stamps, Basic Educational Opportunity Grants, CETA, etc.) reduced refugee options, made it more difficult to augment refugee human capital, and placed additional strains on the refugee-serving programs.

3. Largely Undiscussed Options

- o One of the easiest ways to decrease assistance utilization among the group of households receiving both wage and assistance income would be to increase the minimum wage, which would increase earnings for refugees at and somewhat above the minimum. The minimum wage has remained at $3.35 an hour since January 1, 1981; no increase has been authorized by Congress.

- o While the number of arriving refugees has been reduced sharply in recent years, there has been no open discussion on changing the human-capital mix of the arriving cohorts. If we are going to select some refugees and leave others in camps (which is a situation likely to continue) perhaps we should change our admissions criteria to favor those more likely to be successful in the US. (A decision to keep a low human-capital population out of the United States has, in

fact, been made. The sharply-reduced admissions of the Hmong in the last three fiscal years apparently relates to a decision made somewhere in the Hmong community and not in Washington.)

- o A less drastic corollary to the above would be to leave the current admissions process in place, but to make entry conditional upon reaching a certain level of English proficiency; these requirements to be placed on only those family members between the ages of, say, 15 and 60. (I am assuming, which may not be the case, that all Indochinese refugees have access to processing camps before they enter the US.; if this is not now the case, it should be.)

- o Along the same lines, if large families are more likely to use assistance, should we not have vigorous family planning programs in the camps and in the States for the sake of both the refugee women and the assistance programs?

- o If we are concerned about secondary migration (particularly migration from low to high-benefit states which increases the national assistance bill), perhaps we should consider making a refugee's access to refugee-specific programs conditional on his remaining in the state of original assignment. (This is much more drastic than the announced placement policy, which is a useful forward move.)

- Until such time as a strong case-management system can be put into place, it might be helpful to invest some time, money, and emotional energy into tighter management, even policing, of refugee utilization of assistance programs. Opportunities exist within the current system (without creating another one) to bring pressure on assistance recipients to use their time on the rolls constructively and to push them harder than they are now being pushed to find full- or part-time work.

- Finally, not discussed earlier because of the existence of the problem has not been recognized, is the long-run danger of refugee non-utilization of the taxation end of the Social Security system. Refugees not now contributing to the Social Security Trust Fund may be forced onto Treasury-supported SSI rolls later. All concerned, including the instructors in the overseas camps, the voluntary agencies, the mutual assistance associations, and special SSA and IRS enforcement teams should seek to reverse the apparent trend toward the underground economy.

None of these proposals--unlike the work in the camps overseas--are initially attractive. All demand interventions into markets or systems we would rather ignore. Some limit the options available to refugees. But each in its own way would, if utilized, help reduce dependency.

APPENDIX A

Methodology for Estimation of Cash and Food Stamp Assistance to Indochinese Refugees

In the text of this report we offer our own estimate that all cash assistance to Indochinese refugees amounted to about $706.3 million a year as compared to our estimate of cash assistance expenditures channeled through ORR at something under $192 million. Our estimate is of the annual rate of expenditure on September 30, 1983, rather than the anticipated expenditure for a specific 12-month period. (The available data suggested such an approach.)

Since the estimation technique is a new one, the following explanation may be of some interest. The technique is based, for better or for worse, on readily available data in Washington, DC, mostly drawn from ORR. The estimates do not rely on any independent survey of state and local expenditures; they are based on the sources and assumptions spelled out below. If the use of different assumptions is preferred, alternative estimates can be derived from the methodology outlined here.

1. The two populations. The time-expired population as of September 30, 1983, is drawn from ORR's Report to the Congress, January 31, 1983, Table 1 (415,225). The time-eligible population as of that date is drawn from the same table for FYs 1981 and 1982 and from unpublished State Department data for FY 1983 (244,057).

2. ORR-funded assistance programs. The $192 million estimate is our own, based on ORR data for the first three quarters of FY 1983, during which time $180 million was paid to the states for ORR-funded cash assistance programs (RCA, state share of AFDC, state SSI supplements, and General Assistance, but not funds for unaccompanied minors or Matching Grants). Based on the $180 million, one would estimate that the four-quarter total

would be a little less than $240 million (since the total expenditures drop each quarter as the time-eligible population contracts). We then made the rough estimate that 80 percent of the $240 million was spent on Indochinese and the balance on other refugees, producing the $192 million figure for FY 1983.

The 136,000 estimate we use for the number of Indochinese individuals receiving ORR-funded benefits is derived by multiplying the 169,588 time-eligible refugees noted as receiving these benefits on September 30, 1983 (from preliminary ORR data) by the 80-percent estimate mentioned above.

3. Non-ORR, federal funding of AFDC for time-eligible refugees. Since ORR pays only the state portion of AFDC (for the first three years of residence) and since the federal-state match varies from state to state, we had to estimate the average non-ORR federal contribution. Since the national average federal share is 50 percent and the federal share in California, where half the caseload resides, is 54 percent,* we used a federal share of 52 percent (hence a state share of 48 percent). ORR data for the first three quarters of FY 1983 show an expenditure of $80 million for the state portion of AFDC, which could be estimated at about $106 million for the full fiscal year. We then assumed that about one-fifth of the recipients were non-Indochinese refugees, bringing the estimate of the ORR cost of providing the state share of AFDC to time-eligible Indochinese refugees to $84.8 million. The next step was to apply the state share of 48 percent to the $84.8 million, and we found that the Office of Family Assistance was providing $91.9 million in AFDC funds to the time-eligible refugees.

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*Committee on Ways and Means, US House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means (Washington, DC: USGPO, February 8, 1983).

4. SSI population assumptions. The last time that ORR recorded the size of the SSI population was in the Report to Congress, January 31, 1982 (page 8). At that time ORR reported the September 1, 1981 population at the 10,753 level. On that date we estimate that the United States had admitted 535,225 Indochinese refugees -- 415,225 in previous years and 120,000 in the first 11 months of FY 1981. The percentage on SSI rolls was 1.97 percent on that date, not too different from the 1.85 percent reported a couple of years earlier by the Social Security Administration. We then applied the 1.97 percentage to those admitted to the US between September 1, 1981, and September 30, 1983 (124,057) and estimated another 2,444 SSI recipients for a total on September 30, 1983, of 13,017. No estimates were made for deaths within this particularly vulnerable population. But, on the other hand, no allowance was made for the factors of increasing SSI eligibility of the population resident on September 1, 1981, nor for the slowness with which SSI determinations are made. These factors should roughly balance each other.

5. SSI benefit assumptions. ORR Reports to Congress had noted the average federal SSI benefit to Indochinese recipients at $178.50 on September 1, 1979 (the December 31, 1979, Report, p. 20) and at $209.65 in September, 1980 (the January 31, 1981, Report, p. 31). The January 31, 1982 Report (p. 8) showed a $299.09 average monthly benefit, when it presumably meant a $229.09 benefit. We assumed a $250.00 monthly federal benefit for September 30, 1983.

6. Food Stamp assumptions. Using OSI survey data on Food Stamp utilization patterns by year of entry, we multiplied the usage rates against the size of the cohorts to obtain our estimates of the number of Food Stamp recipients. Calculations for this exercise are shown in Appendix Table 1. We assumed that the average Food Stamp bonus for the refugees was the same as that for all beneficiaries in October, 1982 ($43.11 per month). This was taken from "Food Stamp Program, Statistical Summary of Operations," October, 1982, Food and Nutrition Service, USDA.

APPENDIX

TABLE 1

Calculations of Estimated Numbers of Food Stamp Recipients Among Indochinese Refugees at the End of FY 1983

YEAR OF ENTRY	SIZE OF COHORT	FOOD STAMP PARTICIPATION	ESTIMATED FOOD STAMP RECIPIENTS
1975	130,394	12.6%	20,701
1975-77	17,029	15.1	2,749
1978	20,397	48.5	9,893
1979	80,678	44.0	35,498
1980	166,727	52.2	87,031
1981	132,454	67.3	89,141
1982	72,155	71.5	51,591
1983	39,448	76.5	30,178
TOTALS	659,282	49.6%	326,782

Sources: Population data for FYs 1975-82 from ORR's Report to the Congress, January 31, 1983, Table 1; FY 1983 admissions from unpublished data obtained from the Bureau of Refugee Programs, US Department of State. Food Stamp participation data from unpublished OSI survey data, from Office of Refugee Resettlement, DHHS. (Wave XII survey taken in October 1983.) (See text for derivation of average benefit.)

Cost Estimate: 326,782 x 12 x $43.11 (per month) = $169,650,860.

7. Non-ORR-funded programs for time-expired refugees participation assumptions. We assumed that FY 1975-1980 arrivals responding to the October 1983 OSI survey reporting receipt of cash assistance were being funded by programs in this category. We calculated the number of such recipients from the previously-described year-of-entry, cash-assistance OSI survey tabulations made available to us over the telephone by ORR. The calculations can be seen in Appendix Table 2.

8. Non-ORR-funded program benefit-level assumptions. This is clearly our shakiest estimate, as benefit levels fall (sometimes sharply) when a time-expired, non-categorically-eligible refugee moves from RCA to General Assistance. They do not fall, however, for the AFDC families completing their first three years in the country and moving from ORR-funded to regular AFDC, nor do state SSI supplements decline. Bearing this in mind, as well as the fact that we do not know the program mix for these refugees, we guestimated that the average benefits for the longer-term refugees would be 80 percent of those paid to the time-eligible ones.

Next we had to estimate the average benefit for time-eligible refugees receiving ORR-funded benefits. We used the $240 million ORR estimate for all time-eligible refugees, and then added the previously-described $106 million estimate (for the Office of Family Assistance contribution to AFDC) to give us a $346 million estimate for these benefits, which were, according to preliminary ORR figures, divided among 169,588 individuals (both Indochinese and non-Indochinese). This produced a per-recipient average of $2,040, which we then deflated by 20 percent, for the reasons cited above, which produced an average benefit for the time-expired refugees of $1,632 (per year). That dollar figure was then multiplied by the 130,992 non-ORR cash assistance population (as calculated in Appendix Table 2) to produce a 1983 cost estimate of $213.8 million.

APPENDIX

TABLE 2

Calculations of Estimated Numbers of Recipients of Non-ORR-funded Programs for Time-Expired Indochinese Refugees (AFDC, General Assistance, and State SSI Supplements) at the End of FY 1983

YEAR OF ENTRY	SIZE OF COHORT	CASH ASSISTANCE PARTICIPATION	CASH ASSISTANCE RECIPIENTS
1975	130,394	11.4%	14,865
1976-77	17,029	5.7	970
1978	20,397	36.1	7,363
1979	80,678	37.1	29,932
1980	166,727	46.7	77,862
TOTALS	415,225	31.5	130,992

Sources: Same as those for Appendix Table 1. (See text for derivation of average benefit.)

Cost Estimate: 130,992 x $1,632 (estimated annual benefit) = $213,778,940.

APPENDIX B

Data Collection and Presentation Problems in Refugee Resettlement

To visualize the data collection and presentation problems in refugee resettlement, it is helpful to imagine a brilliant giant (IQ = 200), with two PhDs from Harvard and rich as Croesus. We watch as the giant carefully blindfolds himself, then pulls out an (OMB-approved) pistol, and shoots himself in the foot. This is not a single event; it occurs frequently. Sometimes after the event the giant limps into the nearby entrance to Massachusetts General Hospital, and sometimes he limps an extra block to consult a chiropractor.

There are some major exceptions to this grim picture. ORR's monthly Refugee Data Report provides prompt admissions data. ORR has begun to collect state-by-state and nation-of origin ORR-funded cash assistance data. The OSI data which we have mentioned several times are now collected along standard definitions and are presented in comprehensible formats (though unfortunately there is little or no distribution of the results). And, importantly, ORR has funded several thoughtful analyses of different aspects of the refugee problem.

The data problems are substantial, however, and are quite different from those that afflict those of us interested in undocumented aliens. (In that field the Government has not cared enough to explore the unknown.) In the refugee field, that is not the case. Many of the gaps result from the discontinuation of previously tested programs; for example:

- Data on secondary migration of refugees in the future will never be as useful as it was in the past because the Congress eliminated the annual INS alien registration program.

- As noted earlier, the Government does not even attempt to estimate the funds it is spending on assistance to refugees. And it took an Act of Congress to restore a useful reporting system on those segments of the refugee assistance program funded by ORR.

- The Treasury Department discontinued a promising data series on the extent to which refugees paid their income taxes (though we hear that this may be revived).

- The Social Security Administration discontinued a data series on the extent to which refugees receive SSI.

- The Department of Agriculture never caused its computers to gather data on the usage of Food Stamps by refugees.

- The Department of State, the last time we looked, was receiving largely meaningless financial statements from some of the church-related voluntary agencies, while receiving meticulous ones from most of the lay volags.

- And though we have had major reservations about the OSI survey in the past, we now hear that the Office of Management and Budget, rather than seeking to strengthen it, may obliterate it.

Any government, no matter what its philosophical bent, needs to know what is going on if it wants to decide intelligently how to shape the future.